

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF )  
NORTHERN ROCKCASTLE COUNTY WATER ) CASE NO. 9965  
DISTRICT )

O R D E R

On July 15, 1987, Northern Rockcastle County Water District ("Northern Rockcastle") filed its revised tariff sheet with the Public Service Commission ("Commission") adjusting its rates pursuant to KRS 278.015 and 807 KAR 5:068, Purchased Water Adjustment. On July 20, 1987, the Commission requested that additional information be filed. The required information has now been filed and the record is complete.

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. Northern Rockcastle purchases its water from Mt. Vernon Waterworks ("Mt. Vernon").
2. Effective June 15, 1987, Mt. Vernon increased its rate for purchased water from \$.84 to \$.98 per 1,000 gallons
3. Northern Rockcastle proposed to adjust the rates to its customers effective September 1, 1987.
4. The calculations made by Northern Rockcastle are incorrect in that the purchased water adjustment was determined by subtracting the base rate from the changed rate rather than by the method prescribed by 807 KAR 5:068 and shown in Appendix B.

5. Northern Rockcastle purchased 37,522,400 gallons of water during the 12 months ending May 31, 1987, and sold 29,288,476 gallons.

6. The increase in purchased water costs is \$5,253, resulting in a purchased water adjustment of \$.18 per 1,000 gallons.

7. The purchased water adjustment of \$.18 per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment and rates proposed by Northern Rockcastle be and they hereby are denied.

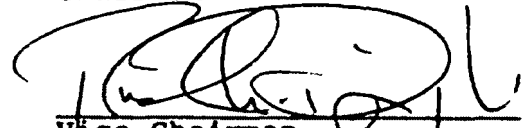
2. The purchased water adjustment in the amount of \$.18 per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after September 1, 1987.

3. Within 30 days of the date of this Order, Northern Rockcastle shall file its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 12th day of August, 1987.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director

**APPENDIX A**

**APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 9965 DATED AUGUST 12, 1987.**

The following rates and charges are prescribed for the customers in the area served by Northern Rockcastle County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>USAGE BLOCKS</u>	<u>RATE</u>
First 2,000 gallons	\$8.88 Minimum
Next 3,000 gallons	3.19 per 1,000 gallons
Next 5,000 gallons	2.69 per 1,000 gallons
Next 15,000 gallons	2.19 per 1,000 gallons
Next 25,000 gallons	1.89 per 1,000 gallons
Next 50,000 gallons	1.69 per 1,000 gallons
Over 100,000 gallons	1.49 per 1,000 gallons

<u>Meter Size</u>	<u>Minimum Usage</u>	<u>Minimum Bill</u>
5/8" x 3/4"	2,000 gallons	\$ 8.88
1"	5,000 gallons	18.45
1 1/2"	10,000 gallons	31.90
2"	25,000 gallons	64.75

APPENDIX B

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 9965 DATED 8/12/87.

CALCULATION OF PURCHASED WATER ADJUSTMENT

Total Purchases	37,522,400
Total Sales	29,288,476
Changed Rate	\$.98 per 1,000 gallons
Base Rate	\$.84 per 1,000 gallons
37,522.4 m. gallons x \$.98 =	\$36,771.95
Less	
37,522.4 m. gallons x \$.84 =	<u>31,518.82</u>
Increased Cost	\$ 5,253.13
\$5,253.13 ÷ 29,288.476 m. gallons = \$.1794 or \$.18 per 1,000 gallons.	